

Opening Statement of Senator Herb Kohl – Special Committee on Aging – 9/29/05
“The Impact of Direct-to-Consumer Drug Advertising on Seniors' Health
and Health Care Costs”

We welcome everyone to this hearing where we will examine the effects of direct-to-consumer (DTC) advertising of prescription drugs on patients, doctors, and health care spending. As always, we thank our Chairman, Gordon Smith, for working with us in a bipartisan manner to examine this important issue affecting seniors.

We all know that Americans pay the highest prices in the world for medicines that are largely researched and manufactured in our own country. Starting in January, American taxpayers will pay hundreds of billions of dollars for drugs through the new Medicare benefit. Now more than ever, we have a responsibility to ensure that those dollars are spent wisely.

As we look to the reasons why drug costs are so high, one contributing factor is the widespread advertising of drugs directly to consumers. Spending on advertising of prescription drugs more than quadrupled between 1996 and 2003 in our country.

Companies have the right to spend as much as they choose to promote their products – although it should be noted that aside from New Zealand, the U.S. is the only country in the world that allows direct advertising of drugs to consumers. We should consider whether there is a message that we should seriously think about.

But as the largest payer of prescription drug costs, the Federal government has an obligation to examine the impact of these ads on drug choices and health spending. Today's ads often steer consumers toward newer, costlier drugs when older, less expensive drugs may be more appropriate. This leads to higher health care spending as patients demand and doctors prescribe more expensive medicines.

The reason that these ads are so powerful is because they are often the only source of information patients have about a drug. The ads paint a picture of a healthy life that can be theirs if they just “ask their doctor.” Unfortunately for consumers, this is not always a complete picture, as most patients have no idea whether the new drug is better than the older one they've been taking for years.

It shouldn't be left solely to the drug industry to educate patients and doctors about new medicines. We need more unbiased research – perhaps through the NIH – that will compare new and old drugs to help doctors and patients determine which is the best, most cost-effective medicine for them.

We also need to give doctors time to fully understand the benefits and risks of a new drug once it reaches the market. Ads for newly approved drugs hit the airwaves immediately, sending patients to their doctors to request what they've seen. We should consider a moratorium on advertising for newly approved drugs to provide doctors enough time to fully understand their effects.

Finally, we also know the FDA has limited enforcement measures at their disposal to crack down on misleading ads. Providing stronger enforcement tools to the FDA will help prevent unnecessary utilization, costs and potentially harmful outcomes to patients.

I am working on legislation to address some of these issues, and I know that other Senators, including Senator Wyden who is here today, have also begun working on legislative answers. I have also joined with Senator Frist to ask the GAO to study the effect of DTC advertising on drug costs and utilization. I look forward to working with all of my colleagues on this important issue.

Clearly, companies have the right to advertise their products. But with the new Medicare drug benefit starting soon, taxpayers are about to foot the bill for billions of dollars in drug costs. They deserve to know that doctors and patients have the best information available to choose the most appropriate and cost-effective medicines.

I thank everyone for their participation today. Before we turn to Senator Smith, I want to mention that we have a Roll Call Vote at 11:30 which requires all Senators to be in the chamber. I hope we can conclude the hearing prior to the vote, or else we'll have to recess and return. We now turn to Chairman Smith for his opening remarks.